

MEMORANDUM

TO: Diane Murphy

FROM: Florence Grasso

RE: CC Docket No. 96-98

DATE: May 30, 1997

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Please place the following items, which were all presentations given at the Commission Forum on Operations Support Systems held May 28 and 29, 1997, into the record for CC Docket No. 96-98:

Stuart H. Kupinsky, Dept. of Justice
David Swan, Jr., Bell Atlantic
Beth Lawson, Southwestern Bell
Stuart J. Miller, NYNEX
Donald J. Russell, Dept. of Justice
Anne K. Bingaman, LCI International
Donald Lynch, MCI
John Lenahan, Ameritech (Nondiscriminatory Access)
Kevin Snyder, GTE
Rod Cox, Consolidated Communications Inc.
Bob Welborn, Sprint
Gloria Calhoun, BellSouth
Brooks Fiber Properties, Inc.
Robert V. Falcone, AT&T
Mary Berube, SNET
Mark Sikora, GE Information Services
Carol Bussing, Sprint
Rob Van Fossen, U S WEST
Venkates Swaninathan, Telesphere Solutions, Inc.
Charlotte F. TerKeurst, Illinois Commerce Commission
Patrick Socci, Teleport Communications Group Inc.
Elizabeth A. Ham, Southwestern Bell
John Lenahan, Ameritech (Ordering, Provisioning)
Wayne Fonteix, AT&T
Industry Guidelines for OSS Functions, ATIS

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FEDERAL COMMUNICATIONS COMMISSION
FORUM ON OPERATIONS SUPPORT SYSTEMS
MAY 29, 1997

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STATEMENT OF STUART H. KUPINSKY
TELECOMMUNICATIONS TASK FORCE
U. S. DEPARTMENT OF JUSTICE, ANTITRUST DIVISION

Federal Communications Commission
Office of Secretary
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On behalf of the Department, I want to again express our appreciation to the Commission for organizing this helpful and informative forum. And on my own behalf, I need to point out that my comments today are my own and do not necessarily reflect those of the Department.

Issues relating to operations support systems in general, and the ordering and provisioning functions of such systems in particular, will have an enormous practical impact on the speed and manner in which local competition will develop, and this forum should provide a useful discussion of some of these issues. As you know, the 1996 Act recognized that entrants in local telephone markets should be permitted to, among other things, resell the services of incumbents and have access to unbundled elements of the incumbents' networks. And of course the Commission has concluded that providing access to an incumbent's OSS functions is important to the meaningful availability of such services and elements.

At this embryonic stage of competition, though, ordering and provisioning functions are particularly critical to new entrants. Rather than being concerned with maintaining service for existing customers, many new entrants are acquiring their first local customers at this stage, and ordering and provisioning functions for resale services and unbundled elements are their primary means of furnishing services to these customers. A new customer's first impression of an entrant will be heavily influenced by how well the entrant, and thus the incumbent serving as the entrant's wholesale supplier, perform such functions. And as we heard yesterday morning, the importance

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the industry places on these functions is reflected in the work of standards-setting bodies such as ATIS, which has concentrated its initial efforts in establishing ordering guidelines.

For both practical and legal reasons, it is helpful to separate discussion of the ordering interfaces between carriers from the OSS functions performed by an incumbent upon receiving an order via the interface. One way of thinking about the interface itself is as a simple delivery system, conveying information back and forth between carriers. The interface itself is not only the means by which incumbents provide access to OSS functions, but, more generally, it is the vehicle for providing resale services and unbundled elements. Thus even if the Commission had never identified access to OSS functions as a requirement of section 251, some such interface would have been required to efficiently communicate the thousands of carrier requests for services or elements that would be expected in a competitive market. As we heard yesterday, different carriers have different needs in this regard, and therefore incumbents may have to provide multiple ordering interfaces to suit large and small competitors, such as a standards-based application-to-application interface for large carriers, and a GUI interface for smaller carriers.

An order that is received through an interface may initiate a cascade of the incumbent's OSS functions, including the assignment of facilities to a CLEC's customer and the updating of billing, 911, and other databases. The extent to which this interaction, between orders received via an interface and the incumbent's OSS functions, is automated has a significant effect on the quality of access to OSS functions provided and the efficiency with which the incumbent provides resale services and unbundled elements. As a result, our discussion today needs to include both the ordering interfaces provided and the interaction of these interfaces with an incumbent's OSS functions. It is this combined perspective that necessarily encompasses the Commission's rules regarding access to OSS functions. If either piece of the puzzle is missing, a CLEC may not

receive nondiscriminatory access to OSS functions or be provided a meaningful opportunity to compete using resale services or unbundled elements.

This is not to say that all ordering and provisioning functions need be, or should be automated. The Commission's "nondiscrimination" and "meaningful opportunity to compete" standards can serve as a guide in this regard. Where the incumbent automates processing steps in its retail operations, analogous functions provided to CLECs should be similarly automated. Where the lack of automation, in either an interface or the processing of order functions by incumbent OSSs, presents barriers to meaningful competition, the Commission's rules would indicate that automation is necessary. By providing somewhat of a least common denominator of industry consensus, standards-setting bodies like ATIS also provide a guidepost in this regard. As we heard yesterday, ATIS continues to identify guidelines for automating ordering interfaces. Finally, the cost of inefficient manual processing, when passed on to competitors, can become a barrier to entry itself, as can the cost of inefficient over-automation. Thus the automation of order processing through access to OSS functions should not be thought of as a goal unto itself, but perhaps in many cases as a means of making resale services and unbundled elements meaningfully available as entry vehicles, as contemplated by the 1996 Act. Ultimately, both the incumbent and CLECs should have similar incentives to reduce order processing costs through automation where appropriate.

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STATEMENT OF

BETH LAWSON

AREA MANAGER-FINANCE OPERATIONS

Southwestern Bell Telephone Company

for the

Federal Communications Commission
Common Carrier Bureau
Forum on Operations Support System

May 28 and 29, 1997

Washington, D.C.

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STATEMENT OF
BETH LAWSON
AREA MANAGER-FINANCE OPERATIONS
SOUTHWESTERN BELL TELEPHONE COMPANY

Billing involves the exchange of information necessary for CLECs to bill their end user customers, to process their end users' claims and adjustments, and to view the LEC's bill for services provided to the CLEC. In order to ensure that access to billing functions is provided in a non-discriminatory manner, Southwestern Bell and Pacific Bell provide multiple options to CLECs to obtain access to billing information. Southwestern Bell provides CLECs with a choice of five options for obtaining electronic access to billing information: Bill Plus™, EDI 811 Transaction Set, Bill Data Tape, Customer Network Administration, and Usage Extract Feed. Pacific Bell provides CLECs with two options to receive both the usage sensitive and wholesale billing information: magnetic tape cartridge or electronically via Bill Data Tape.

Bill Plus™ is essentially a paper bill in an electronic format. It enables CLECs to receive their monthly resale bill on a diskette or to download bills to their computer systems by modem (CD-ROM will be available in June 1997). With Bill Plus™, CLECs can search for information on the bill, generate standardized or summarized reports using any data that appears on the bill, or print any portion of the bill.

EDI 811 Transaction Set is an industry standardized electronic interface that enables CLECs to receive data in an electronic format from Southwestern Bell's Customer Record Information System (CRIS) database with the same information that would appear on their monthly resale paper bill. EDI enables CLECs to manipulate billing data, generate reports involving billing data, track intraLATA long distance calls, and export data to their internal systems.

Bill Data Tape is available today to CLECs to enable them to receive data in an electronic format from Southwestern Bell's Carrier Access Billing System (CABS) database with the same information that would appear on their monthly bill for unbundled network elements.

Customer Network Administration (CNA) is available today for on-line access to obtain the same billing information for both resold services and unbundled network elements that would appear on the CLEC's paper bills. With access to CNA, CLECs can perform a variety of activities as follows: retrieve billing information on all of their accounts, view current and prior bills, create bill summaries, generate reports, and cross-reference working and billing telephone numbers.

Usage Extract Feed will provide CLECs daily information on the usage that will be included on their monthly bill in the industry standard Exchange Message Record (EMR) format. This is a new electronic capability implemented by Southwestern Bell in December 1996. CLECs will have to perform coding changes to receive this usage data into their billing systems, so they can, in turn, rate and bill their end users.

Southwestern Bell meets the requirements of the 1996 Act and complies with the FCC's Order in terms of providing CLECs with "at least minimum equivalent electronic access" to billing data that it provides "to itself, its customers or their carriers." Southwestern Bell has gone even further to provide CLECs with choices of both industry standardized interfaces and negotiated interfaces for access to billing data that we do not provide to ourselves or our customers, and that was not provided to other carriers prior to the 1996 Act.

Pacific Bell has taken a very proactive approach to the billing and data exchange issues. For example, early in 1996, Pacific Bell focused on monthly bill review with each carrier, established a single point of contact to manage any delays or issues, and dedicated extensive resources to the billing and usage functions. Pacific Bell provides access to call

detail records on a weekly or daily basis via magnetic tape or electronically via Network Data Mover (NDM). The frequency and method of delivery is up to the CLEC.

Wholesale bills are available on magnetic tape, paper, or NDM for CABS-billed products and on paper or magnetic tape for CRIS-billed products. In addition, CLECs may view the billing data in CABS on a dial-up basis. To ensure the adequacy of its billing functions, Pacific Bell uses cooperative testing and managed introduction of its billing functions.

SBC believes that to the extent that CLECs use the same systems to bill their customers as the BOC (e.g., CRIS), parity is ensured. To the extent CLECs request an alternate billing system, such as CABS billing for resale, the best measure of parity and performance measures are those negotiated by the parties. For example, where requested, Pacific Bell has negotiated specific billing performance standards in its interconnection agreements. Southwestern Bell, Pacific Bell, and Nevada Bell will continue to work closely with the CLECs and the industry to enhance their billing systems.

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STATEMENT BY STUART J. MILLER
VICE PRESIDENT-INFORMATION SERVICES
NYNEX
FCC OSS FORUM, MAY 27 AND 28, 1997

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Since October, 1996, NYNEX has offered the CLECs electronic interfaces to NYNEX Operations Support System (OSS) functions, including, without limitation, various pre-order functions.

To facilitate CLEC support, NYNEX has established a straightforward strategy

- Rapid deployment of basic capabilities and functionalities;
- Provision of low cost entry to competitive wholesale markets;
- Provision of multiple alternative interfaces;
- Offer of functional interfaces to meet requirements where national standards do not exist, with the intent to grandfather these interfaces as we evaluate national standards, once these are defined.

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To provide some scale of reference, there are currently 19 resellers and 3 unbundling customers actively using these electronic interfaces. In 1996, to facilitate this process, NYNEX trained 180 people from 31 companies on how to interface with our systems for resale activities. This year, we have trained another 103 resale "students." Further, since February, 1997, NYNEX has trained 63 students from 8 companies on how to interface with us to order unbundled elements.

Our intent is to insure that competing carriers are given sufficient access to OSS functions such that there are no material restraints on the CLEC's ability to perform pre-ordering, ordering, provisioning, maintenance, repair and billing--for both resold and unbundled elements—in substantially the same time and manner as NYNEX itself.

Let me concentrate briefly on the pre-order functionalities that NYNEX offers to the CLECs. I'd like to stress one point: these functionalities provide a CLEC representative with the opportunity to perform equivalent work of equivalent quality and with the equivalent effort required of a NYNEX retail representative. That, pre-order data is resident in NYNEX's in-place legacy systems.

The first five functionalities are common to both resellers and purchasers of unbundled elements: customer service records via CRIS billing; validation of a customer's address; reservation of a telephone number; due date availability; and they use the same source as NYNEX's retail representatives.

Four new functionalities have been offered specifically to meet the needs of purchasers of unbundled elements: product and service availability by NPA and NXX; channel facility assignment; CLLI validation; and Loop qualification for ISDN lines, and customer service records, via the CABS system.

For resale activities, all pre-order transactions are conducted exclusively across the electronic interface. Pre-order transactions for UNEs have been somewhat slower to come through on an electronic basis, although we now have assurances from our customers that electronic transmission will soon be the ordinary case.

As you might expect, our interfaces typically provide a mediated access to our OSS suite. It is NYNEX's position that mediated access provides the best architecture for the wide variance of CLEC requirements and rapid modification of those requirements. We believe that our early production experience will help define the path along which mediated access must evolve.

While NYNEX offers non-discriminatory access to this information, it has had to make many modification to various OSSs to ensure that the information receives the proper privacy and security, from both the retail and wholesale perspectives.

NYNEX provides access to most of its OSS pre-order functionalities via its Direct Customer Access System (DCAS). The Gateway permits wholesalers to use either an application-to-application interface, or a WEB Graphical User Interface (GUI).

The application-to-application interface supports all interactions, including large-scale commercial interactions.

The WEB GUI is a user-to-system electronic interface option intended for smaller-scale carriers who seek quick market entry, combined with low investment and an easy-to-use solution.

While Wholesalers must interface with NYNEX to access the information they require, how they choose to interface is dependent on their own evaluation of their business requirements.

I would like to now address other issues that affect electronic interfacing. First, the practices adopted by retail CLECs in servicing their customers will vary. Their marketing practices, phone contact techniques, cold canvassing procedures and mass marketing efforts will demand various degrees of electronic sophistication and various protocols between their sales forces and their customers. NYNEX cannot anticipate what those practices may demand, and we have therefore adopted a flexible strategy that can accommodate an evolving environment.

Second, in such an environment, "non-discriminatory access" becomes more difficult to define: it can no longer exist at the system transaction level, but must now take place at the business transaction level. For example, a system transaction might be defined as retrieving one page of a CSR, whereas a business transaction could be defined as the set of system transactions which combine to accomplish the definition and completion of a retail customer service order.

A third issue surrounds “service levels.” Service intervals are the primary concern of the customer, while the CLEC is more focused on support for its marketing strategies.

Last, but certainly not least, is the complex issue of the interface specifications themselves: How does an industry establish standards for a multiplicity of interfaces—involving a myriad of customers—operating inter-regionally—in demographically different environments? And when can we expect to establish these specifications in time to provide the functionality and data in a common format to the retail companies?

In summary:

- NYNEX’s strategy is to adapt our OSSs to the competitive marketplace, offering CLECs electronic interfaces to our legacy systems for pre-ordering functionalities, as well as ordering, billing, maintenance, repair and provisioning.
- We are rapidly deploying the multiple, alternative interfaces to accomplish this, even before national standards have been established, and training CLEC personnel to use them effectively.
- Within the context of non-discriminatory access, we have developed modifications to our OSSs to ensure privacy of information.
- We offer both application-to-application and user-to-system interfaces.
- The new competitive environment is still evolving, and several issues must still be resolved.

NYNEX is ready to work with the regulators and the other companies in our industry to resolve these issues.

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FEDERAL COMMUNICATIONS COMMISSION
FORUM ON OPERATIONS SUPPORT SYSTEMS
MAY 28, 1997

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MAY 30 1997

STATEMENT OF DONALD J. RUSSELL
CHIEF, TELECOMMUNICATIONS TASK FORCE
U. S. DEPARTMENT OF JUSTICE, ANTITRUST DIVISION

Federal Communications Commission
Office of Secretary

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On behalf of the Department, I want to express our appreciation to the FCC for organizing this forum. Issues relating to operations support systems will have an enormous practical impact on the speed and manner in which local competition will develop, and this forum should provide a useful discussion of some of these important issues.

As you all know, the 1996 Act recognized that entrants in local telephone markets should be permitted to resell the services of incumbents, and to have access to unbundled elements of the incumbents' networks. The FCC has concluded that access to incumbents' OSSs is a critical ingredient, if the use of resale and unbundled elements is to be commercially meaningful, as Congress intended.

There are at least two reasons for this. First, in order for new competitors to succeed in the marketplace, they must be able to offer, and customers must perceive that they can offer, high-quality, customer-friendly services. Because of the large volume of transactions between LECs and competitors that we would expect in a competitive market, there will be a practical need for automation of many of the processes involved in handling customer inquiries, provisioning services and elements, billing, repairs, and the like. Without this automation, customers who deal with new entrants will experience delays and mistakes that will be intolerable in the marketplace. The incumbent's OSSs allow its retail operations to avoid such delays and mistakes, and competitors must have access to these efficient systems if they are to compete

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meaningfully using the resold services and unbundled elements. Experiences in local competition to date, in several regions, demonstrate how competitors may be disadvantaged because of a lack of such efficient automation.

Second, in addition to improving the quality of service, automation of many key processes is needed in order to minimize the cost of providing service. Manual processing in many cases will be much more costly over the long run than automated processing. The cost savings associated with automation should benefit both incumbent LECs and new entrants, and most important, should benefit consumers.

OSS issues raise both short-term and long-term concerns. In the short run, new automated processes, although perhaps somewhat imperfect, should enable competitors to enter the market in an efficient manner and win new local customers. As competition matures, these automated processes should also allow competitors to satisfy existing customer needs for maintenance and other functions. Needless to say the interaction between incumbents and competitors will change during this evolutionary period, requiring implementation of increasingly complex processes as transaction volumes grow and competitors simultaneously begin to construct their own facilities. Over the longer term, incumbents and competitors will have to cooperate to maintain and enhance automated processes to keep pace with this change and sustain competition.

One of the promising industry developments that we have seen is the effort to develop standardized interfaces. These efforts, if successful, will allow all parties to spread the cost of developing OSS interfaces over a larger number of trading partners, reducing entry costs and improving functionality. As we heard this morning, standards-setting bodies such as ATIS are actively creating such standards, and one of the important challenges facing the FCC will be to

determine how best to encourage and support these and other standard-setting efforts.

Overall, we have been encouraged by the attention that the FCC, several state commissions, and the industry have devoted to these issues. We're delighted to participate in this forum, and more importantly, to hear a variety of industry viewpoints on these important issues.

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**STATEMENT BEFORE
FEDERAL COMMUNICATIONS COMMISSION
OPEN FORUM REGARDING OSS**

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by

ANNE K. BINGAMAN

Senior Corporate Vice President

LCI International

President, Local Telecommunications Division

May 28, 1997

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Good morning. It is an honor to be here, and I sincerely commend the Commission and its Common Carrier Bureau for convening the Open Forums on these critical OSS issues.

What I have to tell the Commission and the Bureau today is that there is a firestorm raging in the telecommunications industry. The firestorm is called OSS, and it is literally consuming us all -- ILECs, CLECs, consumers and potential CLEC customers alike. The OSS deadline of January 1, 1997 is now fully five months behind us. Yet OSS problems remain serious; they are fundamental; and they are across the board. No ILEC¹ is immune, and no ILEC is even close to being in compliance with the Commission's August 1, 1996 Local Competition Order.

Let me give a brief overview of where we are first in the comparatively simple resale environment, and then in the vitally important unbundled network element (UNE) environment, so central to the Commission's goals and to the Telecommunications Act of 1996. I am sorry to have to report that gaping deficiencies exist in resale. As to the all-important OSS for UNEs, progress is so minimal as to be non-existent. The industry needs the Commission to act, and act now, to help the industry and American consumers with this vital issue.

I. OVERVIEW OF OSS PROBLEMS IN THE RESALE ENVIRONMENT

First, even as to simple resale, the fundamentals for competition at parity with ILECs by competitors are simply missing.

¹ As used herein, "ILEC" refers to the RBOCs and GTE. (Sprint is a member of the LCUG, the Local Competition Users' Group, which espouses established performance standards. Other members of LCUG are AT&T, MCI, LCI and WorldCom.)

Ameritech

As an example, let me cite LCI's experiences with Ameritech, generally considered, I understand, to be further ahead in OSS issues than other ILECs. Yet, as LCI's staff has documented to Ameritech throughout the Winter of 1997 and, as I told Neil Cox, the President of Ameritech Information Industry Systems in a meeting and letter on May 22, 1997, LCI is receiving usage data three to seven days late, while Ameritech receives it immediately. [See Ex. A] Even for simple resale, LCI cannot bill its customers in a timely fashion. For monthly usage data, including monthly recurring charges and non-recurring charges, Ameritech is weeks behind schedule, chronically, despite our best efforts to get them to file timely reports.^{2 3} The customers, of course, do not understand that it is not LCI's fault that items appear on their bills which are two months old, nor do they understand why the bill is five to seven days behind, with huge gaps between the date a charge was incurred and the date the bill is sent. We simply

² While Ameritech should be providing this data within 24 or at most 36 *hours* after a call has been recorded at the switch, for approximately 99% of the calls made by LCI customers in Illinois, Ameritech is not providing the information to LCI concerning those calls until 3-7 *days* after the call was made. [See Ex. B, Marlin Aff., submitted to the Illinois Commerce Commission, April 22, 1997]

³ Timely AEBS data is critical to billing time and materials charges that are passed through to customers. Since our resale relationship began late last year, LCI has received billing data from Ameritech's AEBS system only sporadically as follows:

November data was received via tape on 1-6-97
December data was received via tape on 1-14-97
January data was received via Connect:Direct on 3-1-97
February data was received via Connect:Direct on 3-26-97
March data was received via Connect:Direct on 4-17-97
April data was received via Connect:Direct on 5-16-97

[See Ex. C]

cannot provide customers with the same quality or level of billing, because Ameritech does not provide it to us. [See Ex. A]

On USOC codes as well, Ameritech has been inconsistent and vague. It adds USOC codes, takes down the Website for up to a month where they are listed, and does not give LCI the same access its own sales people have to USOC codes. While this may seem like a minor complaint, in fact accurate USOC codes are at the heart of the ordering process. There are approximately 10,000 USOC codes; and they are different by RBOC and by metropolitan area, and differ as well according to whether the service is residential or business. They are written in what appears to be Greek, not English, with unintelligible letters jammed together with no spaces. Each separate USOC code represents a different service. It is absolutely crucial to the integrity of LCI's orders that every single letter in every single USOC code be correct, or the order will be rejected. [See Ex. D] LCI's repeated requests for equal access to Ameritech's USOC codes have been met with indifference.

Obtaining accurate and timely customer service records is the crucial first step in transitioning customers from an RBOC to LCI, yet LCI has encountered substantial difficulties in receiving CSRs as well. Several RBOCs with whom LCI does resale business (Bell South and PacBell) produce customer service records (CSRs) only on media that prevent LCI from electronically manipulating the data, unless LCI completely rekeys the information into its own computers. Rekeying this information increases the error rate and increases the risk that customer service will be turned up incorrectly.

While Ameritech will provide CSRs electronically, these CSRs unfortunately are in free-form text. This requires LCI and other CLECs to develop sophisticated parsing routines to interpret the many different formats. These systems must be developed in a trial-and-error fashion due to the lack of specifications and documentation on the free-form text. Moreover, the format of the CSRs varies from one RBOC to another, and some RBOCs, including Ameritech, have multiple CSRs within a single state, making it even more difficult to standardize preordering software and to develop preordering procedures.

State agencies reviewing Ameritech's OSS have come to the same conclusions as LCI as to the state of Ameritech's OSS readiness.

As the Illinois Commerce Commission Hearing Examiner concluded in March, 1997, Ameritech is not currently providing CLECs with nondiscriminatory access to its OSS. And, until Ameritech presents "empirical evidence that Ameritech's OSS are operational and functional," Ameritech will not be found to be providing nondiscriminatory access to its OSS. [See Ex. E, Illinois Proposed Order at 28] Thus, "Ameritech must ensure the connecting carriers have sufficient information of Ameritech's OSS, including working with carriers that experience rejected orders and/or orders that require manual intervention" and "Ameritech must also show that carriers are able to utilize Ameritech's OSS in a sufficient manner that will accommodate the demand of a new LEC's services by end users." In short, "[a]t this point, we are not convinced that carriers will be able to offer its services to the general public with the expectation that all service orders will be processed."

After two days of hearings devoted exclusively to OSS issues, the Wisconsin Public Utilities Commission concluded unanimously in April, 1997 that Ameritech's OSS were neither sufficiently tested nor operationally ready. [See Ex. F, Wisconsin Order at 2-8] It found that, not only did many problems exist with Ameritech's systems, but that new problems were arising regularly, demonstrating that the systems were not stable, reliable or predictable.

The Wisconsin Public Utilities Commission directed its staff to draft an order regarding Ameritech's Statement of Generally Available Terms and Conditions (SGAT). The staff's draft order, published May 5, 1997, rejected Ameritech's SGAT and its supporting testimony of Rogers, declaring that "Ameritech's Operations Support Systems (OSS) are not tested and operational." Ibid.

The Michigan Public Service Commission, the only commission to date to approve Ameritech's compliance, has just this week (for the first time) scheduled its own OSS hearings, to be held May 28, 1997 in Lansing, exactly coincident with these hearings. Thus, no findings have ever been made on OSS by the State of Michigan.

I have focused thus far on Ameritech, because of my understanding that it is perceived as being operationally ahead of the other ILECs. Other ILECs, unfortunately, are no better.

NYNEX

Just two weeks ago, on May 13, 1997, the Administrative Law Judge of the New York Department of Public Service reviewed the status of NYNEX's

SGAT, stating: "Following consideration of the record of the Technical Conference, the parties' briefs and reply briefs, and the informal discussions between parties and advisory staff," she declared: "Because of the shortcomings in this record, a recommendation to the Commission to approve the Statement is not feasible." [See Ex. G] [For an overview of LCI's experience, see Ex. G-2, Wajsglas Aff.]

At a technical conference conducted in April, 1997 by the New York Public Service Commission, prior to the ALJ's decision, NYNEX conceded myriad shortcomings⁴ in its providing adequate nondiscriminatory OSS functions.⁵

⁴ These included: (i) NYNEX currently cannot provide electronic notification of rejected orders [See Ex. H at 470]; (ii) CLECs cannot change or correct their orders electronically until a service order has been assigned [*ibid.* at 492]; (iii) CLECs cannot place "migration as specified" orders, which substantially increases their time and cost in placing orders to NYNEX [*ibid.* at 436]; (iv) CLECs cannot, through NYNEX's OSS, determine a customer's billing telephone number from the customer's working telephone number, while NYNEX's own retail service personnel can obtain such information [*ibid.* at 448-49]; and (v) NYNEX has not done any substantial testing of the operational capabilities of its OSS interfaces [*ibid.* at 442-43]. Others at that conference identified even more problems with NYNEX's OSS, including: (i) "[t]he trouble process has been very convoluted" -- "[i]t's been a combination of faxing, chasing down the appropriate repair personnel via phone and following through on the system like that," and "we are unable to enter trouble tickets into the GUI system" [*ibid.* at 388]; (ii) "there are still many orders you can put in that do not flow directly to NYNEX's Operating Support Systems" [*ibid.* at 389]; (iii) because "we only know working telephone numbers and not bill telephone numbers," "we are unable to access a customer's service record" [*ibid.* at 397]; (iv) where a reasonable response time for accessing various OSS information would be under 10 seconds, the "response time has been a minute and 40 seconds" [*ibid.* at 397-98]; (v) not only is the Web/GUI "not an electronic interface" [*ibid.* at 403], which in itself does not provide parity because it "requires dual entry" and "provides . . . no management reports" [*ibid.* at 434-35], there also "seemed to be areas of the GUI that were not functionally complete, scenarios that were not yet programmed into the GUI" -- "it was very poor support for being able to support multiple features on a single order and it is very cumbersome for the CLEC" and "[w]e experience a lot of error messages that we cannot interpret" [*ibid.* at 416]; (vi) there is a "lack of flow through capability," and "[w]ithout the flow through capability, which means you have manual intervention, all of these interface systems whether they are GUI, whether they are EIF or whether they are EDI are "fancy E-mail systems" [*ibid.* at 435].

⁵ As this Commission well knows, the FCC's commitment to the network platform and the availability of UNEs is the cornerstone of its entire regulatory scheme. The Commission

Bell Atlantic

In LCI's experience, Bell Atlantic presents its own unique case. It has refused to enter into a resale agreement with LCI unless LCI agrees to keep all performance standards for OSS confidential. Indeed, Bell Atlantic would even have LCI seek permission from it before revealing to this expert agency or other government body LCI's experiences with Bell Atlantic's performance standards. [See Ex. I] LCI has strongly objected to this as an effort to stymie public debate of important issues. Indeed, Bell Atlantic's posture would deny this Commission and the department of Justice the right to publicly state their reasoning or views on OSS issues. On May 23, 1997, LCI, frustrated over weeks of lack of response on this issue, agreed to sign the EDI test agreement and resale agreement with the two disputed provisions as Bell Atlantic wanted, subject to LCI's right to challenge them before a government agency. [See Ex. J] No response has yet been received.

From the experience of others, it appears that Bell Atlantic still has a long way to go before it will be able to provide CLECs with workable and non-discriminatory access to its OSS.⁶

affirmed the right to these unbundled combined network elements in paras. 332-41 of its August 1, 1996 Local Competition Order, properly reading the express language of Section 251(c)(3) of the 1996 Telecommunications Act.

⁶ Its OSS, including its ordering and billing interfaces, are not in a state of operational readiness [see Ex. K, Kirchberger Aff (AT&T witness before the Pennsylvania PUC at 2, 6], as even Bell Atlantic concedes [(citing a Bell Atlantic official's concession that, while Bell Atlantic has done the "initial development" of an ordering interface, "it will probably be several years . . . before all LSR [local service request] types are mechanized," and Bell Atlantic "is still 'conducting an operational test to validate the production capabilities of the billing system'")] *ibid.* Moreover, Bell Atlantic's proposed ordering procedure will require Bell Atlantic employees to "manually input [CLECs'] orders into Bell Atlantic's service ordering process systems." To make matters

BellSouth

BellSouth's problems with OSS are no different from other ILECs. On March 21, 1997, the Georgia Public Service Commission, "[b]ased on a thorough review of the entire body of evidence presented in the record and consideration of general regulatory policy issues," "finds as a matter of fact and concludes as a matter of law" that BellSouth "does not yet fully comply with all of the standards and requirements of Section 251 and 252(d) of the Act, and [its SGAT] therefore should be rejected." [See Ex. L, Georgia PSC Order at 2, 6] Specifically, the Georgia PSC concluded that, "[f]or unbundled access to network elements and for resale, BellSouth has not yet demonstrated that it is able to provide access to operational support systems ('OSS') on a nondiscriminatory basis that places CLECs at parity with BellSouth." [*Id.* at 10] ⁷

Southwestern Bell (SBC)

Although the Oklahoma Corporation Commission (OCC), in a split decision, approved SBC Communications' (SBC) section 271 application, the

worse, Bell Atlantic "has not even disclosed what OSS functions or interfaces are being tested, or what kinds of service order types, or volumes are involved." [*Id.* at 10] Moreover, Bell Atlantic has not provided AT&T, with whom tests were to start in late March 1997, with "the OSS interfaces necessary for testing." [*Id.* at 10]

⁷ The Georgia PSC explained as follows: "Nondiscriminatory access to operation support systems (OSS) is an integral part of providing access to unbundled network elements, as well as making services available for resale. The record shows that BellSouth has not yet demonstrated that it is able to fulfill these important aspects of the Statement's provisions on a nondiscriminatory basis that places CLECs at parity with BellSouth. [See Ex. L, Georgia Order at 28] "In addition, the pre-ordering and ordering interim 'web' interfaces, and the interfaces for maintenance and repair, are not projected to be fully operational for roughly two months"; "BellSouth is still working on an interface for Customer Records Information System ('CRIS') billing and for local usage data, both of which may not be ready for two months." [*Id.* at 28-29] And, "[b]efore BellSouth can offer the interfaces for actual CLEC use, testing must be completed," and to a great extent, "testing has not begun." [Georgia Order at 29]

reality is, as the United States Department of Justice recently confirmed, SBC in Oklahoma has not provided the requisite OSS access. [See Ex. M, DOJ Evaluation at 24-25] The DOJ explained that: (i) “the OCC majority did not adopt detailed factual findings” and “their conclusions appear to rest, in large part, on what we believe to be an incorrect legal interpretation of the checklist”; and (ii) “[i]n contrast to the OCC’s limited view,” the administrative law judge, who found SBC to be lacking, also was supported by “the dissenting OCC Commissioner, the Oklahoma Attorney General, and the OCC staff”).

Specifically, the DOJ concluded not only that “SBC has not demonstrated that its wholesale support processes are sufficient to make resale services and unbundled elements practicably available when requested by a competitor,” “[i]ndeed, there is evidence in the record to suggest that SBC has thwarted CLEC attempts to test and commercially use the wholesale support processes SBC claims to provide,” and “has failed to demonstrate even through internal testing the operation of its automated processes for making resale services and unbundled elements meaningfully available.” [See Ex. M, DOJ Evaluation at 30] And, “[b]ecause none of SBC’s automated wholesale support processes are operational -- commercially or otherwise -- SBC cannot make a demonstration of reliable performance and establish performance measures to ensure reliable support service post-entry. More importantly, even if SBC’s processes were operating at some level, SBC has not established a sufficiently comprehensive set of performance standards, nor supplied its own retail performance information, to permit such a comparison.” [See Ex. M, DOJ Evaluation at 60-61]

PacBell

PacBell's problems with OSS are many and large. They were detailed first by me in a series of letters between Pacific Bell and myself following my comments at the Senate Commerce Committee hearing in March, 1997, that "competition is on the fax room floor at PacBell." [For a full set of that exchange see Ex. N.]

Just one month ago, LCI (and presumably others in the industry) received notice from PacBell that it could not expect PacBell to process more than 2,000-2,500 orders per day by the end of second quarter 1997. By the end of fourth quarter 1997, PacBell estimates it can complete only 5,000-6,000 orders per day. Its own customer base is in the tens of millions of lines, in California, a state with a total population of 31 million people. [See Ex. O]

Finally, in an incredible series of missteps just weeks ago, PacBell disconnected an LCI customer for five days because it could not manage the simple transition on an "as is basis" from PacBell to LCI resale. The series of letters between LCI and PacBell concerning this incident is attached hereto as Ex. P.

II. Unbundled Network Elements

The Commission should be aware that the entire construct in its Access Charge Decision -- relying on market forces to control access charges, and exempting unbundled network elements from access charge payments -- today simply is non-functional. As this Commission well knows, the FCC's commitment to the network platform and the availability of UNEs is the cornerstone of its